A RESOLUTION BY TRANSPORTATION COMMITTEE

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT WITH ALDEASA, S.A. FOR FC-6006007904, DUTY FREE CONCESSIONS, AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta ("City") owns and operates Hartsfield-Jackson Atlanta International Airport ("Airport"); and

WHEREAS, the City did advertise for FC-6006007904, Duty Free Concessions, on behalf of the Department of Aviation, for a qualified company to construct, fit and finish, operate, maintain, manage and provide a Duty Free Concession at the Airport; and

WHEREAS, the base term of the agreement will be for five (5) years; with one (1), three (3) year renewal option at the City's sole discretion; and

WHEREAS, Aldeasa, S.A. was selected as the responsive and responsible bidder whose proposal was deemed to be the most advantageous to the City; and

WHEREAS, the Aviation General Manager and the Chief Procurement Officer have recommended that FC-6006007904, Duty Free Concession, be awarded to Aldeasa, S.A..

THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, HEREBY RESOLVES, that the Mayor is authorized to enter into an agreement with Aldeasa, S.A. for FC-6006007904, Duty Free Concessions ("Agreement"), on behalf of the Department of Aviation.

BE IT FURTHER RESOLVED, that the base term of the Agreement is for five (5) years with one (1), three (3) year renewal option at the City's sole discretion.

BE IT FURTHER RESOLVED, that the City Attorney is directed to prepare an appropriate Agreement for execution by the Mayor.

BE IT FINALLY RESOLVED, that this Agreement will not become binding on the City and the City will incur no liability or obligation under it until it has been executed by the Mayor, attested to by the Municipal Clerk, approved as to form by the City Attorney and delivered to Aldeasa, S.A.

Part II: Legislative White Paper:

A. To be completed by Legislative Counsel:

Committee of Purview: Transportation

Caption: A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT WITH ALDEASA, S.A. FOR FC-6006007904, DUTY FREE CONCESSIONS, AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

Council Meeting Date: January 16, 2007

Requesting Dept.: Aviation

B. To be completed by the department:

1. Please provide a summary of the purpose of this legislation (Justification Statement).

The Department of Aviation has completed the solicitation process to execute a new contract to fit, finish, operate, maintain and manage one (1) duty free store on Concourse E, the Airport's international concourse. Aldeasa submitted the highest bid. The legislation authorizes the Mayor to execute a lease agreement with Aldeasa to operate the duty free store at the Airport.

2. Please provide background information regarding this legislation.

The current duty free contract operated by HMS Host expired September 1999. The City solicited for a new operator in April 2002. Two Companies submitted proposals Duty Free America (DFA) and Duty Free Air & Shipping Supply (DFASS). The City deemed DFASS the highest most responsive proponent. The award decision was protested by DFA. The FC Number was canceled and the City re-solicited. The re-solicitation through the City's procurement process started June, 2006. Five duty free companies (Aldeasa, Alpha Retail, Du Fry, Duty Free America and the Nuance Group) submitted bids and Aldeasa was the highest bidder.

3. If Applicable/Known:

- (a) Contract Type (e.g. Professional Services, Construction Agreement, etc): Concessions lease agreement
- (b) Source Selection:
- (c) Bids/Proposals Due: 9/13/06
- (d) Invitations Issued:
- (e) Number of Bids: 5
- (f) Proposals Received:
- (g) Bidders/Proponents: 5
- (h) Term of Contract: 5 years
- 4. Fund Account Center:
- 5. Source of Funds: NA
- 6. Fiscal Impact: NA
- 7. Method of Cost Recovery:

This Legislative Request Form Was Prepared By: Marlene Coleman

DEPARTMENT OF AVIATION LEGILSATION SUMMARY

TO:

TRANSPORTATION COMMITTEE

CAPTION:

RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT WITH ALDEASA, S.A. FOR FC-6006007904, DUTY FREE CONCESSIONS AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT AND

FOR OTHER PURPOSES.

Council Meeting Date:

January 19, 2006

Requesting Dept.:

Department of Aviation

Contract Type:

Concessions Lease Agreement

Source Selection:

Sealed Bids

Bids/Proposals Due:

September 6, 2006

Invitations Issued:

145

Number of Bids/

5

Proposals Received:

Bidders/Proponents: Aldeasa's S.A, Joint Venture \$9,550,001.00

Mr. Jose Maria Palencia Saucedo, Chief Executive Officer Dufry \$8,038,532.00 Duty Free Americas Atlanta, LLC \$6,818,770.00 The Nuance Group Atlanta, LLC. \$6,503,000.00 Alpha Atlanta Retail Associates \$3,126,000.00

Background:

The successful bidder will be required to construct, fit, furnish, operate, maintain and manage a duty free store on Concourse E -International Concourse at Hartsfield-Jackson Atlanta International

Airport.

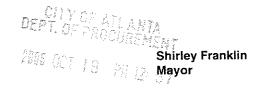
Fund Account Center:

Revenue Generating

Term of Contract:

Five (5) years with one (1) three (3) year renewal option.





Benjamin R. DeCosta Aviation General Manager

DATE:

October 3, 2006

TO:

Adam L. Smith, Chief Procurement Officer

Department of Procurement

FROM:

Benjamin R. DeCosta, General Manager

Department of Aviation

SUBJECT:

Project Number 6006007904 - Concourse E Duty Free Concession

Having completed review of the subject bids, DOA hereby recommends award of the subject project to Aldeasa, in an amount not to exceed \$9, 500,001.

This is a revenue generating project. The percentage rent is 30%.

If additional information is required, please contact Lisa Bausley-Williams at 404-530-2428

attachment

BRD/lbw

cc:

G. Geeter

L. Manigault

M. Eady

J. Cugasi

M. Coleman

K. Mastin

C. Ewing

A. Williams

File





DEPT, OF PORCHEMENT

CITY OF ATLANTA

Shirley Franklin Mayor SUITE 1700 55 TRINITY AVENUE, SW ATLANTA, GA 30303 (404) 330-6010 Fax: (404) 658-7359 Internet Home Page: www.atlantaga.gov

OFFICE OF CONTRACT COMPLIANCE
Hubert Owens
Director
howens@atlantaga.gov

MEMORANDUM

TO: Adam L. Smith Esq.

Chief Procurement Officer

FROM: Hubert Owens

Director - Office of Contract Compliance

RE: FC 6006007904, Concourse E Duty Free Concession

DATE: September 26, 2006

The Office of Contract Compliance has evaluated five (5) Bids for Disadvantaged Business Enterprise participation. For your information, the proponents have committed to utilizing DBE's as indicated below:

DUTY FREE AMERICAS ATL	ANTA, LLC	
Trans Air Concessions, LLC	DBE	30.00%
Total Participation	MANUSCO (1971)	30.00%
1 Other 1 ms started		
ALPHA ATLANTA RETAIL A	SSOCIATES	
Keys Airport Business Inc	DBE	15.00%
Smack! Airport Retail, Inc	DBE	10.00%
Total Participation		25.00%
DUFRY		
Cagon Air, LLC	DBE	24.00%
Total Participation		24.00%
THE NUANCE GROUP ATLA	NTA, LLC	•
Williams & Hope Corporation	DBE	24.00%
Total Participation		24.00%
ALDEASA'S ATLANTA, JOI	NT VENTURE	
Shellis Management Services, Inc.	c DBE	24.00%
Total Participation		24.00%

If you have questions, please contact me at (404) 330-6010 or Yvette Hawkins at (404) 330-6016.

cc: File

Carolyn Chavis, DOP

BID RESULTS

DATE: SEPTEMBER 13, 2006

TOTAL # OF BIDDERS - 5

PAGE 1 OF 1

CONTRACTOR'S NAME DUTY FREE AMERICAS ATLANTA, LLC ALPHA ATLANTA RETAIL ASSOCIATES DUFRY THE NUANCE GROUP ATLANTA, LLC	\$6, 818,770.00 \$3,126,000.00 \$8,038,532.00 \$6,503,000.00 \$9,550,001.00	Local Bidder Status N/A N/A N/A N/A	Eligible Bidder Status N/A N/A N/A N/A	Bid Submittal Status DBE DBE DBE

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE	<u> </u>	ATTN: GREO	G PRIDGEON
Legislative Counsel (Sign	nature):_Megan S. Midd	lleton Manid	d won
Contact Number:6207			
Originating Department	: _Aviation		
Committee(s) of Purview	:Transportation		
Council Deadline:_Decer	nber 14, 2006		
Committee Meeting Date	e(s): January 10, 2007	Full Council Date: J	anuary 16, 2007
Commissioner Signature Chief Procurement Of: CAPTION		Romin	The state of the s
A RESOLUTION AU AGREEMENT WITH CONCESSIONS, AT AIRPORT; AND FOR C	HARTSFIELD-JACH		004, DUTY FREE
FINANCIAL IMPACT (if	any) \$9,500,000.00) per year	
Mayor's Staff Only			A
Received by Mayor's Offi	ce: 15-18.06 6	Reviewed by:	489
Submitted to Council:	12 19 06 (date)	none.	